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## Fiscal News, January 2013

Maine State Legislature

Office of Fiscal and Program Review

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# FISCAL NEWS

MONTHLY NEWSLETTER OF THE OFFICE OF FISCAL AND PROGRAM REVIEW

JANUARY 2013

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The Office of Fiscal and Program Review (OFPR) is a nonpartisan staff office of the Legislative Council providing budget, tax and general fiscal research and analysis for the Maine State Legislature.



## Month In Review

General Fund revenue was under budget in December, but remained modestly ahead of budget for the first half of FY 2013. Sales and Use Tax and Corporate Income Tax categories have fallen below budget despite downward revisions in the December 2012 revenue forecast. Offsetting these negative variances is the Individual Income Tax, which was over budget in December. Individual Income Tax positive variances in December and January reflect the effects of upper income taxpayers reacting to potential adverse tax changes after 2012, resulting in a short-term windfall in this category that was not factored into the revenue forecast.

Highway Fund revenue was below budget in December and for the first half of FY 2013. Gasoline Tax remains the primary cause of the Highway Fund negative revenue variance despite a substantial downward adjustment in the December 2012 revenue forecast.

High gasoline and heating oil prices continue to be a concern for Maine consumers and the negative effect on taxable sales and other consumption related taxes is obvious. Heating oil prices are now tracking above last winter's record high prices and temperatures are tracking below last year's levels, diverting more spending toward keeping warm this winter.

Maine Public Employees Retirement System reported very strong investment returns for the recently concluded calendar year, helping assets in the State's retirement plan grow to \$11.0 billion.

General Fund cash balances have failed to show improvement and internal cash flow borrowing from other funds may be insufficient to meet cash flow needs for the remainder of FY 2013. The Governor's Emergency FY 2013 Supplemental Budget proposals, which rely heavily on the use of General Fund reserve balances and year-end reductions in school subsidies, would not substantially improve the State's cash position until year-end. As a result, the Governor's supplemental proposals leave some funding for external cash flow borrowing costs.

Total expenditures for the State's operating funds declined by 0.5% for the first half of FY 2013 compared with the first half of FY 2012. General Fund spending declined the most for this period, dropping 1.2%. Driving this decline was the Department of Health and Human Services' 6.5% decline in General Fund spending. Despite this decline, the Governor's Emergency FY 2013 Supplemental Budget includes funding for shortfalls in the department totaling \$97 million, \$87.7 million to address the estimated FY 2013 shortfall in the MaineCare budget.



### General Fund Revenue Update

#### Total General Fund Revenue - FY 2013 (\$'s in Millions)

	Budget	Actual	Var.	% Var.	Prior Year	% Growth
December	\$245.4	\$240.2	(\$5.2)	-2.1%	\$250.7	-4.2%
FYTD	\$1,304.1	\$1,304.7	\$0.6	0.0%	\$1,312.6	-0.6%

General Fund revenue was \$5.2 million (2.1%) under budget in December, but remained \$0.6 million over budget for the first half of FY 2013. First half performance for General Fund revenue represented a 0.6% decline compared with the first half of FY 2012. The Sales and Use Tax and Corporate Income Tax categories continue to lag behind budget despite recent downward forecast adjustments. However, Individual Income Tax collections were \$6.7 million over budget for December and for the fiscal year, largely due to withholding payments, and were more than sufficient to offset the negative variances in the other major taxes. Preliminary data for January indicate continued weakness in taxable sales, but a significant surge in individual income tax collections.

Sales and Use Tax performance in December and January indicates that this year's holiday sales season was disappointing. The recent downward revisions in the December 2012 revenue forecast recognized the weak performance of this category during the first 5 months of fiscal year 2013, but assumed that taxable sales growth would be close to 4% during the second half of FY 2013 and beyond. Based on the performance of the last 2 months, that assumption may be too optimistic.

Corporate Income Tax collections were under budget in December by \$4.0 million despite the substantial downward adjustment in this category in the December revenue forecast. Although preliminary data for January show this category close to or slightly above budget for the month, Corporate Income Tax will end January below budget for the fiscal year.

Offsetting poor performances in the taxable sales and Corporate Income Tax collections was a \$6.7 million positive variance in the Individual Income Tax in December. Most of the variance, \$5.2 million, was from a surge in withholding payments. This surge in withholding was the first indicator of the extent of the reaction of higher income taxpayers trying to

recognize income in 2012 rather than 2013 in light of pending federal tax changes. This reaction is also driving a substantial surge in January's estimated payments, which are more than \$27 million above projections. January Individual Income Tax revenue will also show a substantial positive variance for the month resulting from the delay in the start of the federal income tax processing season and the resulting refund activity caused by the late federal tax changes enacted in early January.

The Individual Income Tax current year positive variances are primarily timing issues. The variance from delay in refund processing with the late start of the federal income tax filing season will be offset in February and March when refund processing catches up. However, the effect of higher income taxpayer behavior that positively affected December withholding payments and January estimated payments will partially hold up throughout FY 2013. Much of the "pulling" of income recognition into tax year 2012 represents a reduction of tax year 2013 income. Some of this will affect FY 2013 to the extent that it reduces April 2013 and June 2013 estimated payments, but the majority of the offset will be delayed until FY 2014 or later.

There are some other timing issues that affect FY 2013 revenue reporting, most of which stem from not adjusting the update of the monthly distribution for several categories to reflect actual performance during the first 5 months of FY 2013. One of the revenue categories that exhibits this effect is the Transfers for Tax Relief Programs. This category was under budget by \$4.3 million in December, but was ahead of budget for the first half of FY 2013 by \$4.4 million. Another significant variance that reflects this failure to adjust for actual performance is the Property Tax – Unorganized Territory category, which will carry a \$2.3 million negative variance until the June revenue report as the next update of the monthly distribution.

**Highway Fund Revenue Update****Total Highway Fund Revenue - FY 2013 (\$'s in Millions)**

	Budget	Actual	Var.	% Var.	Prior Year	% Growth
December	\$23.5	\$21.2	(\$2.3)	-9.8%	\$23.1	-8.2%
FYTD	\$146.2	\$145.3	(\$0.9)	-0.6%	\$142.2	2.2%

Highway Fund revenue was \$2.3 million (9.8%) under budget in December and \$0.9 million (0.6%) under for the first half of FY 2013. Highway Fund revenue for the first half of FY 2013 is 2.2% higher than the first half of FY 2012. However, this growth rate is distorted by the one-time, significant receipt of title fee revenue in October. Backing out that unusual revenue, FY 2013 Highway Fund revenue would be below FY 2012.

About half of the December negative variance was

related to a transfer budgeted in November rather than December. However, Gasoline Tax performance continues to be a major concern for the Highway Fund, lagging behind projections despite rather significant downward adjustments in the December revenue forecast. Its \$0.6 million negative December variance will likely be followed by another sub-par performance in January indicating that there is more to this variance than some of the typical monthly fluctuations from budgeted amounts.

**Cash Update**

The average total cash pool balance for December was \$379.2 million: \$0.1 million lower than November; \$74.6 million less than last December and \$112.1 million less than the \$491.3 million average balance for the last 10 Decembers.

The expected improvement in the General Fund cash position over the course of FY 2013 has been delayed by negative revenue variances and spending above projections, particularly in the MaineCare program. General Fund internal cash flow borrowing is \$96.5 million higher than a year ago. The Governor's Emergency Supplemental Budget proposals will not significantly improve the State's cash position until the end of FY 2013. Approximately 70% of the savings initiatives offsetting the MaineCare shortfall and the \$35.5 million downward General Fund revenue revision in the December 2012 revenue forecast are reductions in reserve fund balances or General Purpose Aid for Local School (GPA) savings. The use of reserve fund balance transfers has a negative effect on General Fund cash balance and the GPA initiatives will not affect cash flow until the end of the fiscal year.

The Governor's proposed Emergency Supplemental Budget reduces the amounts appropriated for external cash flow borrowing, but retains some funding for

cash flow borrowing costs, indicating some risk that the General Fund will need to borrow externally for its cash flow needs. The last time the General Fund had to use external borrowing was FY 2006. The short-term windfall from individual income tax estimated payments in January may lessen that risk.

**Summary of Treasurer's Cash Pool****December Average Daily Balances****Millions of \$'s**

	2011	2012
General Fund (GF) Total	\$24.6	\$33.3
General Fund (GF) Detail:		
Budget Stabilization Fund	\$71.5	\$44.6
Reserve for Operating Capital	\$17.1	\$17.1
Tax Anticipation Notes	\$0.0	\$0.0
Internal Borrowing	\$193.5	\$290.0
Other General Fund Cash	(\$257.6)	(\$318.4)
Other Spec. Rev. - Interest to GF	(\$5.7)	(\$6.4)
Other State Funds - Interest to GF	\$25.8	\$17.5
Highway Fund	\$29.8	\$37.3
Other Spec. Rev. - Retaining Interest	\$25.5	\$21.6
Other State Funds	\$237.8	\$164.1
Independent Agency Funds	\$116.1	\$111.8
<b>Total Cash Pool</b>	<b>\$453.8</b>	<b>\$379.2</b>

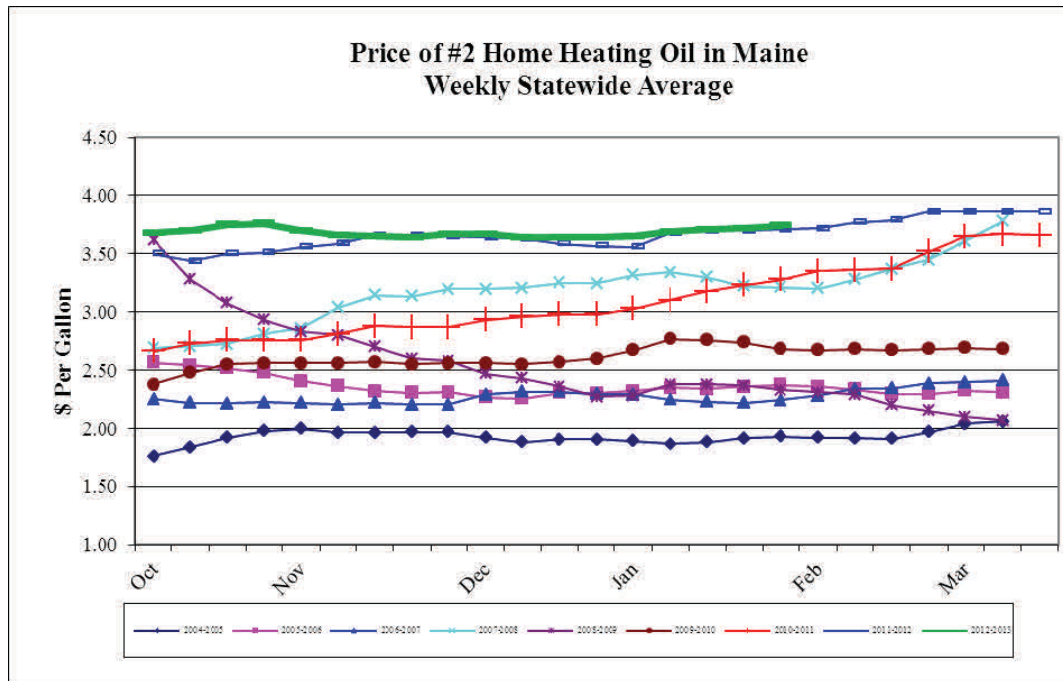


### Heating Oil Price Update

The average price of #2 home heating oil in Maine is at \$3.74 per gallon as the month of January ends, approximately 2.7%, or \$0.10 per gallon higher than one month ago and \$0.03 per gallon, or 0.8% higher than one year ago. Although the average price of home heating oil in Maine is, at the present time, very close to last year's levels, it is still near the highest average price ever recorded in Maine for the first four months of a winter heating season.

January 2013 temperatures in Maine were approximately 5.5% colder than January 2012 but

3.2% warmer than normal. For the first 4 months of the 2012-2013 winter heating season temperatures are running approximately 9.4% colder than the same time last year and 3.2% warmer than normal, reflecting a return to more normal winter temperatures compared to last year. Warmer than normal temperatures during the 2011-2012 winter heating season helped consumers keep the cost to heat their homes somewhat under control, but a return to normal temperatures will cause the average household expenditures for heating oil to increase significantly.



### MainePERS Investment Update

Maine Public Employees Retirement System (MainePERS) investments were up 2.1% for the quarter and 12.9% over the previous one year period. The total plan assets increased \$200 million for the quarter, from \$10.8 billion as of September 30, 2012 to \$11.0 billion as of December 31, 2012. The total fund increased approximately \$0.9 billion over the past 12 month period, from \$10.1 billion as of December 31, 2011 to \$11.0 billion as of December 31, 2012.

For the quarter ending December 31, 2012, US stocks were up 0.3%, international stocks returned 5.9%, and the US bond market increased by 0.5%. During that same time period, just over 90% of

MainePERS asset allocation was in US Stocks (32.8%), US Bonds (27.5%), International Stocks (24.7%), and Real Estate (5.3%), with the balance in Other, Infrastructure, Private Equity and Cash.

While this recent strong investment performance and increase in plan assets is very good news, only the returns and their effect on the assets of the plan as of June 30, 2012 affected the State's employer contribution rates for the 2014-2015 biennium. The table below presents the long-term return information as of December 31, 2012. Over the past 30 years, the fund has had an average return of 9.0% per year. Quarterly and annual performance deviations from this long-term return are expected.

Long-Term Performance ending December 31, 2012 (annualized performance)					
	1 Year	3 Years	5 Years	10 Years	30 Years
<b>Total Fund</b>	12.9%	8.3%	2.2%	7.6%	9.0%





### State Expenditure Update

Total expenditures of the State's operating funds for the first half of FY 2013 declined by \$16.3 million or 0.5% compared with the first half of FY 2012. General Fund expenditures and Other Special Revenue Funds declined by \$18.9 million (1.2%) and \$3.3 million (0.7%), respectively, while expenditures of Federal Funds increased by \$5.2 million (0.4%) during this period. Highway Fund expenditures also increased modestly during this period.

The table below compares the expenditures for the first half of FY 2013 with the first half of FY 2012.

It also breaks out additional expenditure detail by the major departments for the General Fund and Highway Fund. The decline of General Fund expenditures during the first half of FY 2013 was led by the Department of Health and Human Services, which dropped \$37.8 million (6.5%) compared with the same period in FY 2012. Growth in expenditures of the Department of Education of \$18.2 million (3.1%) offset roughly half of the decline in the Department of Health and Human Services.

#### Operating Funds - Expenditures through 1st Half of Fiscal Year

Operating Funds:	FY 2012	FY 2013	% Change
General Fund	\$1,613,893,795	\$1,594,984,383	-1.2%
Highway Fund	\$165,654,576	\$166,385,302	0.4%
Other Special Revenue Funds	\$478,945,899	\$475,660,306	-0.7%
Federal Funds	\$1,299,043,861	\$1,304,222,133	0.4%
<b>Total Operating Funds</b>	<b>\$3,557,538,132</b>	<b>\$3,541,252,124</b>	<b>-0.5%</b>
<b>General Fund Expenditures by Major Department</b>			
Education	\$580,520,968	\$598,694,794	3.1%
Health and Human Services	\$580,056,374	\$542,286,989	-6.5%
Corrections	\$67,963,970	\$68,337,129	0.5%
Administrative and Financial Services	\$85,606,701	\$82,870,496	-3.2%
Other Departments and Agencies	\$299,745,781	\$302,794,975	1.0%
<b>Highway Fund Expenditures by Major Department</b>			
Transportation	\$134,489,287	\$134,696,120	0.2%
Secretary of State	\$15,242,812	\$15,952,679	4.7%
Public Safety	\$13,672,692	\$14,444,479	5.6%
Other Departments and Agencies	\$2,249,785	\$1,292,024	-42.6%

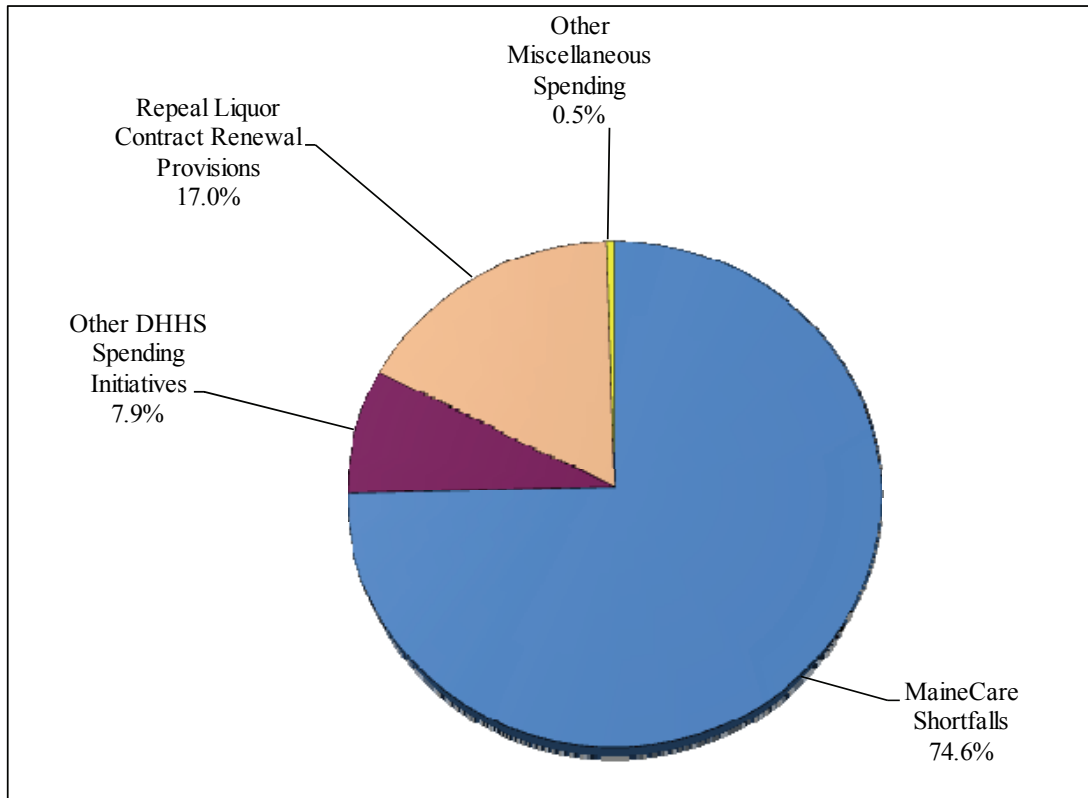
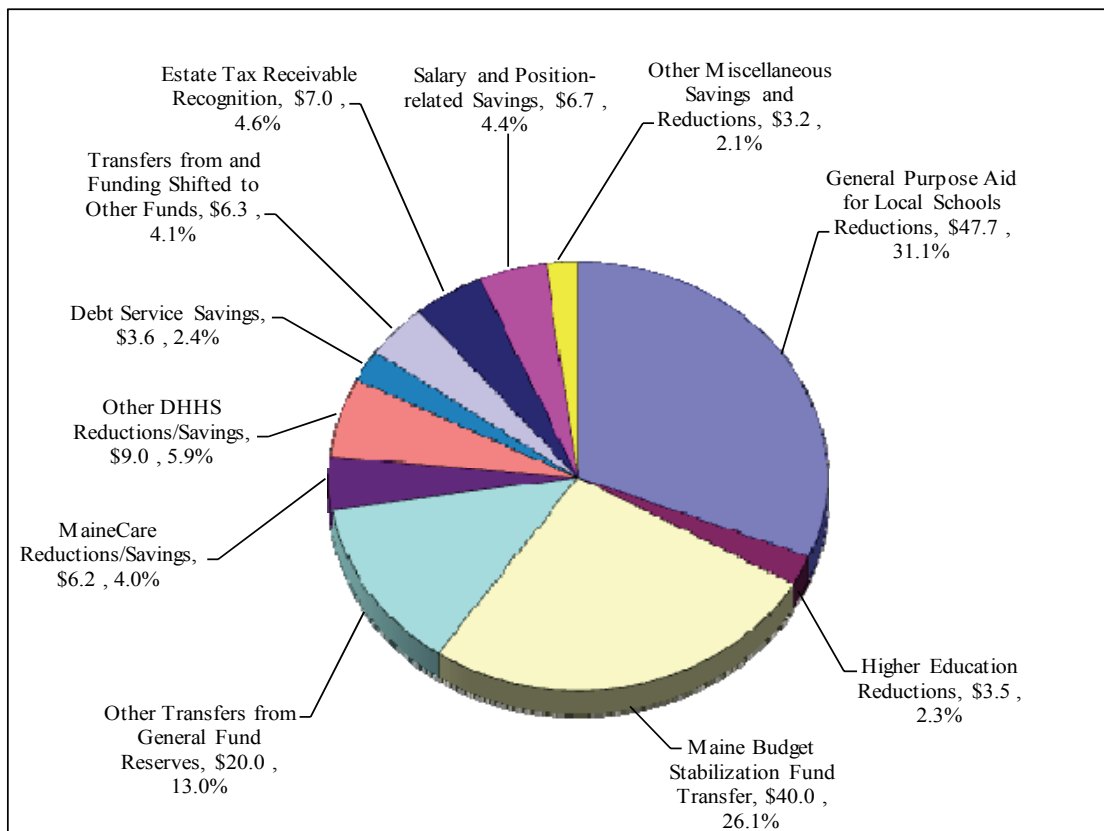
### Emergency Supplemental Budget Overview

The Governor's Emergency FY 2013 Supplemental Budget proposals are proceeding on a fast track since their introduction along with the Biennial Budget Document on Friday, January 11, 2013. The expedited treatment of these emergency supplemental budget requests has been the norm of the last few Legislatures with the joint public hearings on these budget proposals often being held before the bills are printed as public documents. Policy Committee recommendations to the Appropriations Committee are scheduled to conclude on February 1<sup>st</sup>. Provided below is a summary of those proposals. More detail is available on the Appropriations Committee materials web page at: [http://www.maine.gov/legis/ofpr/appropriations\\_committee/materials/index.htm](http://www.maine.gov/legis/ofpr/appropriations_committee/materials/index.htm).

The Governor's emergency supplemental proposals address the \$35.5 million FY 2013 revenue shortfall created by the December 2012 revenue forecast, a roughly \$97 million expenditure shortfall in the Department of Health and Human Services (primarily from MaineCare spending issues) and the typical

miscellaneous other supplemental requests from other departments and agencies. In addition to these funding needs, the Governor has recommended foregoing \$20 million of additional budgeted revenue related to the renegotiation of the contract for managing liquor sales, which he plans to replace with a new proposal to be submitted later. The pie chart (next page) summarizes these \$117.6 million in "spending" initiatives.

To offset these "spending" needs, the Governor has proposed various "savings" initiatives totaling \$153.2 million for FY 2013. These include most of the initiatives included within the recent order curtailing allotments with some adjusts to the school subsidy reductions. Part of subsidy reductions were modified to be an \$18.5 million deferral of a portion of the June 2013 subsidy payment until July 2013. Almost three quarters (72.5%) of the "savings" initiatives were reductions to schools subsidies, higher education funding and General Fund reserves.

**Emergency Supplemental Budget Overview (Continued)****Governor's Emergency FY 2013 Supplemental Budget Proposals  
Spending Initiatives - \$117.6 Million****Savings Initiatives - \$153.2 Million**



## MaineCare Update

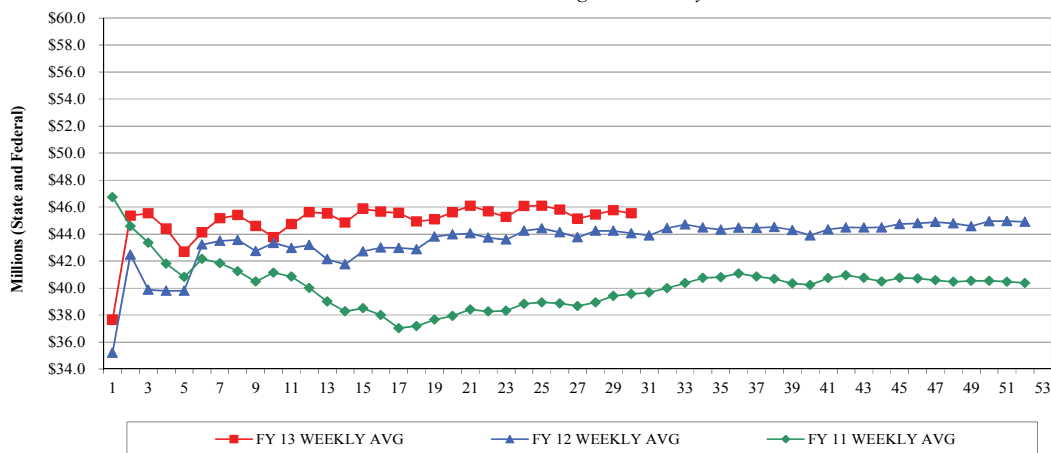
### MaineCare Cycle Spending

The average weekly MaineCare cycle for FY 2013 through Week 30 was \$45.5 million (state and federal dollars), a decrease from the weekly cycle average through Week 25 of \$46.1 million but still above the FY 2012 average of \$44.9 million. MaineCare Chart 1 below summarizes average weekly MaineCare cycle payments for FY 2013 as well as comparable payment cycle averages for FY 2011 and FY 2012. MaineCare Chart 2 summarizes the actual cycles each week for FY 2013 and for FY 2011 and FY 2012.

MaineCare Chart 1 continues to show fluctuations in the weekly cycle averages for FY 2013 reflecting the fluctuations in the underlying actual weekly cycles, however, the averages over the last nineteen weeks have consistently stayed at or above the average for FY 2012. MaineCare Chart 2 shows that the monthly billing “high point” cycle for January was \$53.6 in Week 28, followed by a cycle of \$54.7 million in Week 29. Over the first six months of FY 2013, the monthly billing “high points” have been: Week 2 - \$53.1 million; Week 6 - \$51.2 million; Week 11 - \$54.3 million; Week 15 - \$60.4 million; Week 20 - \$55.8 million and Week 24 - \$64.8 million.

**MaineCare Chart 1 - Weekly Cycle Averages - FY 11, FY 12 and FY 13**

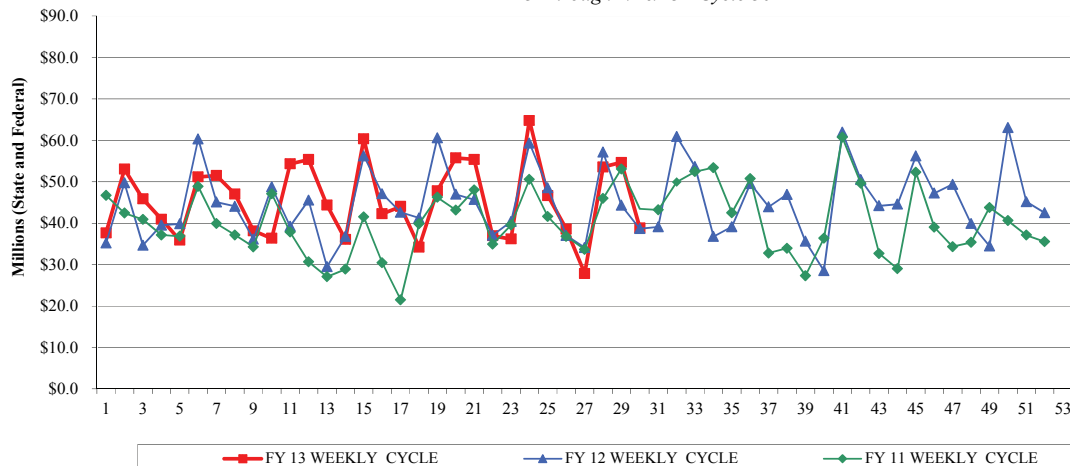
*FY 13 Through 1/26/13 - Cycle 30*



° FY 11 averages do not reflect MaineCare hospital settlements of \$227.7 million paid in the 3/18/11 (37th) and \$20.8 million paid in the 3/25/11 (38th) cycles. FY 13 averages do not reflect MaineCare hospital settlements of \$26.3 million paid in the 9/29/12 (13th) cycle.

**MaineCare Chart 2 - Weekly Cycles - FY 11, FY 12 and FY 13**

*FY 13 Through 1/26/13 - Cycle 30*



° FY 11 cycles do not include MaineCare hospital settlements of \$227.7 million paid in the 3/18/11 (37th) and \$20.8 million paid in the 3/25/11 (38th) cycles. FY 13 cycles do not reflect MaineCare hospital settlements of \$26.3 million paid in the 9/29/12 (13th) cycle.



**MaineCare Update (continued)****MaineCare Expenditures through Six Months**

MaineCare Table 1 summarizes MaineCare and Related expenditures (all state and federal dollars) through six months for the last three fiscal years. The overall growth rate through six months from FY 2012 to FY 2013 of 2.0%, included increases in hospital payments (i.e., from the continued implementation of the new hospital payment system), one-time hospital settlement payments, Medicare crossover payments, mental health services and certified seed expenditures. Significant decreases in expenditures through six months occurred in the residential care, home and community-based care waiver, pharmacy, and the case management expenditure categories. Another

significant factor affecting FY 2013 expenditures through six months were the increased credits and other offsets in the "16 Other Adjustments" expenditure category. This category reflects financial transactions that were not assigned to another object of expenditure code (e.g., third party liability collections, audit settlements, etc.). MaineCare Table 1 also summarizes the MaineCare expenditure General Fund impact through six months. While the total impact shows a 5.9% decrease from 2012 to 2013, after adjusting for a significant one-time expenditure in FY 2012 for the targeted case management federal settlement and in FY 2013 for hospital settlement payments, the resulting adjusted General fund impact shows a 1.2% decrease.

**MaineCare Table 1 - MaineCare and Related Expenditures Through 6 Months***All Funds*

Expenditure Categories	FY 2011	FY 2012	FY 2013	Changes 2012 to 2013	
				\$	%
1 Hospital Services	\$258,625,547	\$236,247,129	\$288,788,980	\$52,541,851	22.2%
1A Hospital Settlements <sup>1</sup>	\$0	\$0	\$26,332,279	\$26,332,279	na
2 Residential Care	\$216,020,366	\$271,250,685	\$254,633,831	(\$16,616,854)	-6.1%
3 HCBC Waivers	\$144,522,234	\$168,628,041	\$162,017,458	(\$6,610,583)	-3.9%
4 Pharmacy and Related	\$140,356,037	\$158,719,237	\$151,075,457	(\$7,643,781)	-4.8%
5 Medical Professionals	\$77,478,345	\$90,469,952	\$85,014,886	(\$5,455,066)	-6.0%
6 Medicare Crossover Payments	\$20,031,166	\$63,491,487	\$69,442,779	\$5,951,291	9.4%
7 Mental Health Services	\$92,585,368	\$126,460,448	\$134,260,100	\$7,799,652	6.2%
8 Clinic Services	\$23,792,912	\$25,139,630	\$26,199,815	\$1,060,185	4.2%
9 Home Health	\$9,151,238	\$14,625,809	\$15,024,217	\$398,407	2.7%
10 Rehabilitation Services	\$5,326,872	\$9,718,205	\$10,766,242	\$1,048,037	10.8%
11 Case Management <sup>1</sup>	\$22,128,735	\$50,539,470	\$21,549,766	(\$28,989,704)	-57.4%
12 Certified Seed	\$4,694,637	\$7,983,202	\$11,736,520	\$3,753,318	47.0%
13 Transportation Services	\$25,013,889	\$24,339,812	\$22,648,177	(\$1,691,635)	-7.0%
15 Other Services	\$5,457,638	\$6,389,394	\$6,289,512	(\$99,882)	-1.6%
16 Other Adjustments	\$24,912,634	(\$7,426,392)	(\$14,049,147)	(\$6,622,755)	89.2%
All Funds Totals	\$1,070,097,616	\$1,246,576,110	\$1,271,730,871	\$25,154,761	2.0%
General Fund Totals	\$203,730,159	\$420,577,247	\$395,888,562	(\$24,688,685)	-5.9%
One-Time Adjustments <sup>1</sup>	\$0	-\$29,736,437	-\$9,671,846		
General Fund Adjusted Totals	\$203,730,159	\$390,840,810	\$386,216,716	(\$4,624,094)	-1.2%

<sup>1</sup> Includes the one-time FY 2012 targeted case management federal settlement and FY 2013 hospital settlement payments.

## MaineCare Update (continued)

### MaineCare Caseload

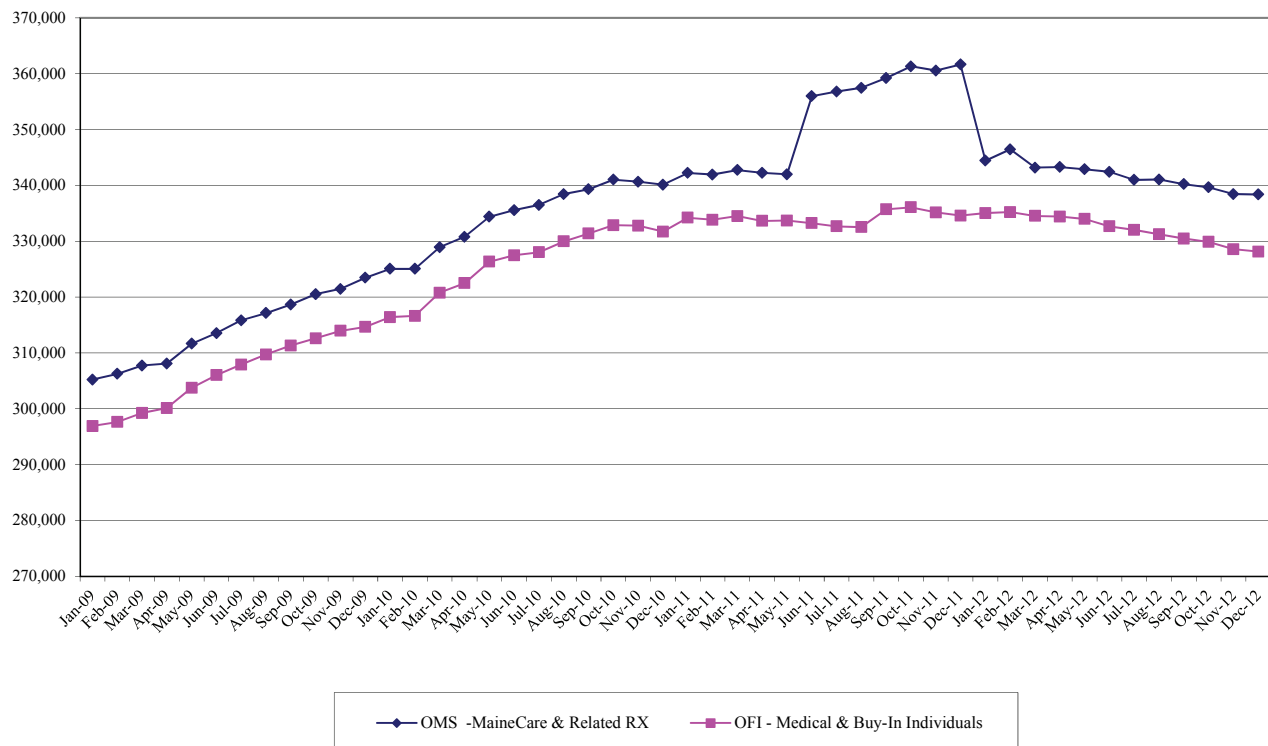
MaineCare caseload data for December released by the Department of Health and Human Services' (DHHS) Office of MaineCare Services (OMS) and by the DHHS Office of Family Independence (OFI) show aggregate caseload continuing to decrease in December. MaineCare Chart 3 below shows the OMS and OFI caseload data over time. The two sources count MaineCare caseload differently but, except for the problems with the initial switchover to the Maine Integrated Health Management System (MIHMS) caseload data source (June to December 2011), have done so consistently. MaineCare Table 2 on the next page provides caseload data detail from June 2011

through December 2012 compiled using the MIHMS system and data from June 2010 through May 2011 compiled using the WELFRE system.

In aggregate, MaineCare caseload continued to decrease during the first six months of FY 2013, driven largely by decreases in the non-categorical adult waiver caseload as a result of the freeze on new enrollment. The other MaineCare eligibility categories have remained relatively stable during this period. It is important to note the trend in MaineCare caseload to date reflects the continued freeze in new enrollment in the non-categorical adult waiver but does not reflect other changes to MaineCare eligibility made during the 125<sup>th</sup> Legislature that have not yet taken effect.

**MaineCare Chart 3 - MaineCare Caseload Historical Trend**

*Office of MaineCare Services (OMS) and Office of Family Independence (OFI) Data*



Source of OMS data - WELFRE through May 2011 and MIHMS June 2011 and thereafter; Source of OFI data - Report ID RE-PM001A

**MaineCare Update (continued)****MaineCare Table 2 - MaineCare and Related Caseload Summary**

Month	Traditional Medicaid	SCHIP Medicaid Expansion	SCHIP "Cub Care"	Medicaid Expansion Parents ≤ 150% FPL	Non-Categorical Adults ≤ 100% FPL	Medicaid Expansion Parents >150% FPL	MSP and DEL/Me Rx	Total
<b>Detail for 12 Months thru May 2011</b>								
Jun-10	236,604	10,279	5,200	21,108	15,397	6,613	40,380	335,581
Jul-10	237,337	10,329	5,257	21,176	15,048	6,710	40,649	336,506
Aug-10	238,279	10,300	5,297	20,938	15,496	6,692	40,919	337,921
Sep-10	238,949	10,449	5,332	20,944	15,855	6,692	41,078	339,299
Oct-10	239,502	10,483	5,371	20,931	16,778	6,741	41,228	341,034
Nov-10	239,390	10,480	5,399	21,033	16,355	6,718	41,292	340,667
Dec-10	239,176	10,478	5,491	21,024	15,789	6,746	41,427	340,131
Jan-11	239,421	10,411	5,531	20,974	17,446	6,830	41,620	342,233
Feb-11	239,742	10,201	5,469	20,748	17,106	6,830	41,846	341,942
Mar-11	241,095	10,040	5,507	20,738	16,714	6,955	41,702	342,751
Apr-11	241,114	10,054	5,485	20,708	16,197	6,957	41,734	342,249
May-11	241,298	9,984	5,543	20,691	15,659	6,963	41,836	341,974
<b>Detail June 2011 through April 2012</b>								
Jun-11	251,147	10,110	5,835	21,465	16,629	7,715	43,090	355,991
Jul-11	251,756	10,307	5,854	21,641	16,257	7,692	43,292	356,799
Aug-11	252,163	10,434	5,841	21,809	15,853	7,752	43,610	357,462
Sep-11	250,207	10,588	5,834	22,059	18,957	7,713	43,871	359,229
Oct-11	251,932	10,874	5,825	22,566	18,819	7,862	43,437	361,315
Nov-11	252,087	10,741	5,829	21,884	18,496	7,850	43,667	360,554
Dec-11	253,016	10,943	5,817	21,977	18,023	7,929	43,940	361,645
Jan-12	253,350	10,925	5,850	22,154	17,535	7,984	45,771	363,569
<b>DHHS Revisions</b>	<b>-11,820</b>	<b>-540</b>	<b>-186</b>	<b>-1,445</b>	<b>-2,304</b>	<b>-1,015</b>	<b>-1,812</b>	<b>-19,122</b>
<b>Revised Jan-12</b>	<b>241,530</b>	<b>10,385</b>	<b>5,664</b>	<b>20,709</b>	<b>15,231</b>	<b>6,969</b>	<b>43,959</b>	<b>344,447</b>
Feb-12	243,780	10,216	5,725	20,736	14,846	6,990	44,162	346,455
Mar-12	244,994	10,120	5,719	20,877	14,537	7,108	45,144	348,499
<b>DHHS Revisions</b>	<b>-3,274</b>	<b>-208</b>	<b>-51</b>	<b>-406</b>	<b>-229</b>	<b>-176</b>	<b>-970</b>	<b>-5,314</b>
<b>Revised Mar-12</b>	<b>241,720</b>	<b>9,912</b>	<b>5,668</b>	<b>20,471</b>	<b>14,308</b>	<b>6,932</b>	<b>44,174</b>	<b>343,185</b>
Apr-12	241,764	10,106	5,608	20,854	13,888	6,867	44,202	343,289
May-12	241,794	10,076	5,642	20,768	13,460	6,874	44,266	342,880
Jun-12	241,404	10,219	5,619	21,020	13,029	6,827	44,313	342,431
Jul-12	240,225	10,021	5,545	21,225	12,820	6,752	44,411	340,999
Aug-12	240,857	9,984	5,553	21,178	12,388	6,728	44,373	341,061
Sep-12	240,176	10,130	5,529	21,233	12,050	6,676	44,434	340,228
Oct-12	239,893	10,153	5,564	21,244	11,532	6,759	44,527	339,672
Nov-12	239,071	10,235	5,576	21,122	11,074	6,726	44,642	338,446
Dec-12	239,052	10,295	5,612	21,149	10,749	6,752	44,775	338,384

Note: Beginning with its June 2011 MaineCare Caseload report, DHHS switched the source of MaineCare caseload data from the old WELFRE system to the new Maine Integrated Health Management System (MIHMS). The caseload data above include data from June 2011 through December 2012 compiled using the MIHMS system and data from June 2010 through May 2011 compiled using the WELFRE system. In January and March of 2012, DHHS revised its caseload count to correct for ineligible cases that MIHMS had continued to include as eligible.

**Eligibility Descriptions:**

- **Traditional Medicaid** includes adults and children in receipt of a financial benefit (TANF, IV-E); aged and disabled persons in receipt of a financial benefit (SSI, SSI Supplement), institutionalized persons (NF), and others not included below.
- **SCHIP (State Child Health Insurance Program) Medicaid Expansion Children (MS-CHIP)** (effective July 1998) are children with family incomes above 125/133% and up to and including 150% of the Federal Poverty Level (FPL).
- **SCHIP "Cub Care" Children** (eff. July 1998) are children with family incomes above 150% and up to and including 200% of FPL.
- **Medicaid Expansion Parents** are persons who function as the primary caretakers of dependent children and whose income is above 100% and up to and including 150% of FPL (effective September 2000); and beginning May 2005, up to and including 200% of FPL.
- **Non-Categorical Adults** (effective October 2002) are persons who are over 21 and under 65, not disabled, not the primary caretakers of dependent children, and whose income is not more than 100% of FPL.
- **Medicare Savings Program (MSP) and DEL/Me Rx** include persons eligible for Medicaid, but not for "full benefits" (e. g., QMB, SLMB, QI) who meet the criteria for participation in DEL and/ or Maine Rx.

**General Fund Revenue**  
**Fiscal Year Ending June 30, 2013 (FY 2013)**  
**December 2012 Revenue Variance Report**

Revenue Category				Fiscal Year-To-Date					FY 2013 Budgeted Totals
	December '12 Budget	December '12 Actual	December '12 Variance	Budget	Actual	Variance	Variance %	% Change from Prior Year	
Sales and Use Tax	76,160,787	74,154,275	(2,006,512)	438,918,648	436,912,135	(2,006,513)	-0.5%	0.2%	1,006,986,404
Service Provider Tax	4,658,978	4,046,339	(612,639)	21,322,951	20,739,776	(583,175)	-2.7%	3.4%	53,586,812
Individual Income Tax	126,898,721	133,562,448	6,663,727	677,532,467	684,196,195	6,663,728	1.0%	0.3%	1,413,890,000
Corporate Income Tax	36,802,526	32,828,494	(3,974,032)	74,828,388	70,854,358	(3,974,030)	-5.3%	-35.3%	186,021,732
Cigarette and Tobacco Tax	10,890,058	9,764,868	(1,125,190)	72,449,994	71,324,804	(1,125,190)	-1.6%	-2.2%	138,180,000
Insurance Companies Tax	33,638	15,931	(17,707)	14,175,275	14,329,986	154,711	1.1%	-1.0%	80,715,000
Estate Tax	3,587,800	1,606,758	(1,981,042)	29,139,433	27,158,391	(1,981,042)	-6.8%	116.1%	57,878,175
Other Taxes and Fees *	7,506,689	7,350,904	(155,785)	68,200,030	66,858,905	(1,341,125)	-2.0%	20.8%	151,399,353
Fines, Forfeits and Penalties	1,515,257	1,453,756	(61,501)	11,456,423	11,370,802	(85,621)	-0.7%	-2.4%	24,452,139
Income from Investments	709	4,050	3,341	49,686	74,295	24,609	49.5%	-59.7%	66,082
Transfer from Lottery Commission	5,052,893	5,703,495	650,602	26,275,002	26,732,539	457,537	1.7%	0.2%	52,550,000
Transfers to Tax Relief Programs *	(23,083,136)	(27,333,435)	(4,250,299)	(88,734,430)	(84,309,413)	4,425,017	5.0%	6.9%	(112,086,562)
Transfers for Municipal Revenue Sharing	(7,653,627)	(6,386,273)	1,267,354	(44,896,533)	(45,419,009)	(522,476)	-1.2%	6.8%	(93,076,067)
Other Revenue *	3,002,061	3,407,212	405,151	3,385,650	3,879,430	493,780	14.6%	-63.8%	60,219,187
<b>Totals</b>	<b>245,373,354</b>	<b>240,178,822</b>	<b>(5,194,532)</b>	<b>1,304,102,984</b>	<b>1,304,703,193</b>	<b>600,209</b>	<b>0.0%</b>	<b>-0.6%</b>	<b>3,020,782,255</b>

\* Additional detail by subcategory for these categories is presented on the following page.

**General Fund Revenue**  
**Fiscal Year Ending June 30, 2013 (FY 2013)**  
**December 2012 Revenue Variance Report**

Revenue Category	December '12 Budget	December '12 Actual	December '12 Variance	Fiscal Year-To-Date					FY 2013 Budgeted Totals
				Budget	Actual	Variance	Variance %	% Change from Prior Year	
<b>Detail of Other Taxes and Fees:</b>									
- Property Tax - Unorganized Territory	0	0	0	11,979,881	9,654,297	(2,325,584)	-19.4%	-19.8%	14,114,107
- Real Estate Transfer Tax	738,007	857,469	119,462	4,155,445	4,274,908	119,463	2.9%	11.2%	9,142,526
- Liquor Taxes and Fees	1,606,881	1,246,158	(360,723)	10,629,669	10,741,961	112,292	1.1%	-1.3%	20,940,313
- Corporation Fees and Licenses	155,892	157,394	1,502	1,180,988	1,399,923	218,935	18.5%	12.0%	7,847,099
- Telecommunication Excise Tax	0	89,636	89,636	0	(403,834)	(403,834)	N/A	84.1%	11,000,000
- Finance Industry Fees	1,901,009	2,164,400	263,391	11,416,304	11,987,000	570,696	5.0%	3.9%	23,351,990
- Milk Handling Fee	86,927	101,348	14,421	1,728,436	1,742,857	14,421	0.8%	211.0%	2,249,995
- Racino Revenue	882,304	1,190,382	308,078	7,407,121	7,440,791	33,670	0.5%	44.4%	16,458,622
- Boat, ATV and Snowmobile Fees	182,336	168,295	(14,041)	1,849,984	1,745,089	(104,895)	-5.7%	-7.1%	4,763,561
- Hunting and Fishing License Fees	1,201,991	627,304	(574,687)	7,513,942	7,313,680	(200,262)	-2.7%	1.4%	16,214,189
- Other Miscellaneous Taxes and Fees	751,342	748,518	(2,824)	10,338,260	10,962,232	623,972	6.0%	212.5%	25,316,951
<b>Subtotal - Other Taxes and Fees</b>	<b>7,506,689</b>	<b>7,350,904</b>	<b>(155,785)</b>	<b>68,200,030</b>	<b>66,858,905</b>	<b>(1,341,125)</b>	<b>-2.0%</b>	<b>20.8%</b>	<b>151,399,353</b>
<b>Detail of Other Revenue:</b>									
- Liquor Sales and Operations	2,292	1,350	(942)	13,752	10,800	(2,952)	-21.5%	-31.2%	28,084,900
- Targeted Case Management (DHHS)	175,449	88,294	(87,155)	1,052,694	930,875	(121,819)	-11.6%	-69.2%	2,105,386
- State Cost Allocation Program	1,143,315	1,065,594	(77,721)	7,931,180	7,797,986	(133,194)	-1.7%	25.6%	16,115,330
- Unclaimed Property Transfer	0	0	0	0	0	0	N/A	N/A	6,000,000
- Toursim Transfer	0	0	0	(9,932,319)	(9,932,319)	0	0.0%	-5.4%	(9,932,319)
- Transfer to Maine Milk Pool	(106,093)	0	106,093	(1,372,489)	(1,520,704)	(148,215)	-10.8%	-6205.6%	(2,007,657)
- Transfer to STAR Transportation Fund	0	0	0	(6,137,811)	(6,137,811)	0	0.0%	-92.0%	(6,137,811)
- Other Miscellaneous Revenue	1,787,098	2,251,974	464,876	11,830,643	12,730,603	899,960	7.6%	-9.8%	25,991,358
<b>Subtotal - Other Revenue</b>	<b>3,002,061</b>	<b>3,407,212</b>	<b>405,151</b>	<b>3,385,650</b>	<b>3,879,430</b>	<b>493,780</b>	<b>14.6%</b>	<b>-63.8%</b>	<b>60,219,187</b>
<b>Detail of Transfers to Tax Relief Programs:</b>									
- Me. Resident Prop. Tax Program (Circuitbreaker)	(2,531,525)	(2,380,875)	150,650	(36,522,174)	(33,451,445)	3,070,729	8.4%	6.3%	(43,081,877)
- BETR - Business Equipment Tax Reimb.	(5,765,041)	(6,879,387)	(1,114,346)	(33,054,615)	(32,784,795)	269,820	0.8%	10.1%	(47,632,583)
- BETE - Municipal Bus. Equip. Tax Reimb.	(14,786,570)	(18,073,173)	(3,286,603)	(19,157,641)	(18,073,173)	1,084,468	5.7%	1.9%	(21,372,102)
<b>Subtotal - Tax Relief Transfers</b>	<b>(23,083,136)</b>	<b>(27,333,435)</b>	<b>(4,250,299)</b>	<b>(88,734,430)</b>	<b>(84,309,413)</b>	<b>4,425,017</b>	<b>5.0%</b>	<b>6.9%</b>	<b>(112,086,562)</b>
<b>Inland Fisheries and Wildlife Revenue - Total</b>	<b>1,461,544</b>	<b>951,324</b>	<b>(510,220)</b>	<b>9,858,266</b>	<b>9,653,689</b>	<b>(204,577)</b>	<b>-2.1%</b>	<b>0.2%</b>	<b>21,894,711</b>



**Highway Fund Revenue**  
**Fiscal Year Ending June 30, 2013 (FY 2013)**  
**December 2012 Revenue Variance Report**

Revenue Category				Fiscal Year-To-Date					FY 2013 Budgeted Totals
	December '12 Budget	December '12 Actual	December '12 Variance	Budget	Actual	Variance	% Variance	% Change from Prior Year	
Fuel Taxes:									
- Gasoline Tax	15,741,371	15,121,919	(619,452)	86,930,888	86,315,177	(615,711)	-0.7%	-2.1%	194,210,000
- Special Fuel and Road Use Taxes	4,616,449	4,778,268	161,819	20,042,903	19,762,232	(280,671)	-1.4%	2.9%	45,180,000
- Transcap Transfers - Fuel Taxes	(1,505,260)	(1,464,153)	41,107	(9,393,820)	(9,355,697)	38,123	0.4%	0.7%	(17,590,004)
- Other Fund Gasoline Tax Distributions	(393,644)	(378,154)	15,490	(2,595,247)	(2,579,915)	15,332	0.6%	5.4%	(4,856,610)
Subtotal - Fuel Taxes	18,458,916	18,057,881	(401,035)	94,984,724	94,141,797	(842,927)	-0.9%	-1.2%	216,943,386
Motor Vehicle Registration and Fees:									
- Motor Vehicle Registration Fees	4,990,604	4,708,373	(282,231)	31,063,317	31,393,794	330,477	1.1%	-0.6%	64,805,936
- License Plate Fees	265,296	259,182	(6,114)	1,685,084	1,788,144	103,060	6.1%	-0.7%	3,351,681
- Long-term Trailer Registration Fees	846,157	515,917	(330,240)	3,259,636	2,599,150	(660,486)	-20.3%	-21.3%	9,384,523
- Title Fees	902,871	864,720	(38,151)	11,620,403	11,882,533	262,130	2.3%	106.2%	17,836,273
- Motor Vehicle Operator License Fees	675,423	584,032	(91,391)	4,328,867	4,239,032	(89,835)	-2.1%	4.1%	8,761,371
- Transcap Transfers - Motor Vehicle Fees	(3,628,199)	(5,013,359)	(1,385,160)	(9,250,744)	(9,342,402)	(91,658)	-1.0%	-23.7%	(16,764,002)
Subtotal - Motor Vehicle Reg. & Fees	4,052,152	1,918,865	(2,133,287)	42,706,563	42,560,251	(146,312)	-0.3%	9.3%	87,375,782
Motor Vehicle Inspection Fees	248,540	566,835	318,295	1,491,240	1,905,575	414,335	27.8%	29.1%	2,982,500
Other Highway Fund Taxes and Fees	99,459	78,447	(21,012)	641,083	642,454	1,371	0.2%	-5.7%	1,276,365
Fines, Forfeits and Penalties	127,687	90,827	(36,860)	508,603	550,225	41,622	8.2%	12.9%	1,039,868
Interest Earnings	10,141	6,686	(3,455)	60,627	35,134	(25,493)	-42.0%	-28.6%	124,642
Other Highway Fund Revenue	505,234	472,971	(32,263)	5,813,264	5,478,008	(335,256)	-5.8%	3.9%	9,123,222
<b>Totals</b>	<b>23,502,129</b>	<b>21,192,512</b>	<b>(2,309,617)</b>	<b>146,206,104</b>	<b>145,313,443</b>	<b>(892,661)</b>	<b>-0.6%</b>	<b>2.2%</b>	<b>318,865,765</b>